

# Tax Credit Programs

## Apprenticeships (Job Training Tax Credit)

**Purpose:** To allow a tax credit of 50 percent of actual wages paid to a qualifying apprentice or \$4,800, whichever is less.



► Tax credit of 50 percent actual wages or \$4,800 for apprentice hires (machine toolmaker, machinist, model-maker, gage maker, pattern-maker, plastic process technician, tool and machine setter, die-sinker, mold-maker, tool and die maker). The

apprentice must be enrolled in a registered qualified program through the RI Department of Labor and Training's State Apprenticeship Council.

## RI New Employment Tax Credit

(Tax Incentives for Employers Act)

**Purpose:** To promote the hiring of long-term unemployed workers.

► Once an employee is retained for 52 consecutive weeks, with a minimum of 1820 hours of paid employment, an employer may receive an incentive credit equal to 40 percent of the employee's first year wages or up to a maximum of \$2,400 per employee. The business must file with the Department of Labor and Training within 30 days from the employee's date of hire and again after 52 weeks. At that time, the Department shall issue a certificate to the business.

## Rhode Island Department of Labor and Training

1511 Pontiac Avenue  
Cranston, RI 02920

1-888-616-5627  
[www.dlt.ri.gov/esu](http://www.dlt.ri.gov/esu)

Issued April 2006



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# Tax Credit Programs



For information on  
Tax Credit Programs, call  
1-888-616-JOBS (5627)  
or visit: [www.dlt.ri.gov/esu](http://www.dlt.ri.gov/esu)

## Tax Credit Programs

### RI Tax Credit Programs

#### Investment Tax Credits

##### ◆ Manufacturing

**Purpose:** To allow manufacturers a tax credit against the business corporation tax and RI personal income tax for property used for the production of goods by manufacturing, processing or assembling.

► The credit is computed at 4 percent of the cost used for federal income tax purposes, but must not reduce the tax to less than the minimum business corporation tax.

##### ◆ High Performance Businesses

**Purpose:** To allow a tax credit to High Performance businesses in the manufacturing, wholesale, finance, insurance, and real estate industries as well as high performing businesses in others industries named specifically in the statute.

► A 10 percent tax credit is available to qualifying employers.

#### Job Training Tax Credit

**Purpose:** To grant a tax credit against the corporate income tax equal to 50 percent of actual training expenses for new and current employees.

► Up to \$5,000 per employee, over three years, for retraining or upgrading skills of employees. (*Training programs must be pre-approved.*)



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► Employees must work at least 30 hours per week at the time of the training, make 150 percent of the Rhode Island minimum wage at completion, and be retained for 18 months.



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### Jobs Growth Act

**Purpose:** To provide tax incentives for employees of large companies.

► This law allows companies with 100 or more new workers, with a new payroll of at least \$10 million, to offer their employees tax exemptions on half the money they make in bonuses.

► Companies offering the program would show that the employees make more than 125 percent of the state's average wage.

*RI Tax Credits continued next page...*

## Federal Tax Credit Programs

### Work Opportunity Tax Credit

**Purpose:** To promote the hiring of targeted groups of job seekers.

► \$2,400 per individual for eligible employers that hire specific target groups such as: Temporary Assistance to Needy Families (TANF) recipients, veterans, recipients of vocational rehabilitation services, food stamp recipients, and Supplemental Security Income (SSI) recipients. For specific qualifications, please refer to: [www.uses.doleta.gov/wotcdata.asp](http://www.uses.doleta.gov/wotcdata.asp).

### Welfare-to-Work Tax Credit

**Purpose:** To promote the hiring of long-term recipients of the Temporary Assistance to Needy Families (TANF) program.

► Up to \$8,500 per hire of long-term recipients of the TANF program. Employers can claim 35 percent of the qualified wages for the first year of employment, if employed at least 400 hours or 180 days, and 50 percent for the second year up to a maximum of \$8,500 per hire.

**Required:** Employers must file IRS form 8850 and ETA Form 9061 or 9062.

For more information on Federal Tax Credits, call 1-888-616-5627 or visit [www.dlt.ri.gov/esu](http://www.dlt.ri.gov/esu)